

## USE THIS FORM IF EMPLOYEE IS TRYING TO:

### NDPERS DEFERRED COMPENSATION PLAN FORMS:

<u>If Employee is Trying To:</u>	<u>Use This Form</u>
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#### **Enrollment or Waiver**

Initiate employee enrollment in the North Dakota Public Employees 457 Deferred Compensation Plan	Employee must complete North Dakota Section 457 Deferred Compensation Plan Participant Agreement for Salary Reduction SFN <a href="#">3803</a>
Initiate PEP contribution vesting: Expedited enrollment in the 457 Deferred Compensation Plan and vesting in employer contribution or Waiver of Participation. To be completed by employee.	Newly hired employees of employers participating in PERS Defined Benefit Retirement Plan and the NDPERS deferred compensation Plan must complete Expedited 457 Deferred Compensation Plan and Portability Enhancement Provision (PEP) Enrollment form SFN <a href="#">54362</a>

#### **Designations & Changes**

Initiate a change in employee contribution amount or to suspend contributions.	Employee must complete North Dakota Section 457 Deferred Compensation Plan Participant Agreement for Salary Reduction SFN <a href="#">3803</a>
Initiate a change in name, address, employer, Provider Company or Provider Agent	Complete ND Section 457 Deferred Compensation Plan Participant Agreement for Salary Reduction SFN <a href="#">3803</a>
Name beneficiaries to deferred compensation account benefits in the event of an employee's death	Employee must Contact Provider Company Representative
Initiate a Transfer of 457 deferred compensation account funds to another PERS Provider Company	Employee must complete Rollover/Transfer to the 457 Deferred Compensation Plan form SFN <a href="#">50177</a>
Initiate a "roll-over" of funds from another eligible retirement plan, 457(b), 403(b) or IRA to the PERS 457 Deferred Compensation Plan	Employee must complete Rollover/Transfer to the 457 Deferred Compensation Plan form SFN <a href="#">50177</a>

#### **Reporting**

Send employee deferred compensation contributions to NDPERS	Transmittal of Deduction SFN <a href="#">52193</a>
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#### **Normal & Age 50+ & USERRA Catch-up**

Initiate the authorization to utilize the deferred comp plan "normal catch-up" provision	Employee must complete Catch-up Worksheet/Certification form SFN <a href="#">51501</a>
Initiate utilization of the 50+ catch-up provision for the 457 deferred compensation plan	Employee must complete 457 Plan Participant Agreement for Salary Reduction SFN <a href="#">3803</a>
Initiate USERRA for active military duty deferred compensation plan catch up for a Returned Reservist	Employee must complete 457 Plan Participant Agreement for Salary Reduction SFN <a href="#">3803</a>

#### **Miscellaneous**

Initiate Financial Hardship Application	Employee must request the Financial Hardship Application, form SFN <a href="#">16662</a> , from NDPERS
Initiate a request for an in-service Deminimus Distribution	Employee must complete Request for Deminimus Distribution form SFN <a href="#">52051</a>

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## NDPERS SECTION 457 DEFERRED COMPENSATION PLAN PARTICIPANT AGREEMENT FOR SALARY REDUCTION

SFN 3803

**All instructions, terms and conditions are in the NDPERS Deferred Compensation Plan handbook.**

This form is used for all of the following:

1. New Application\*
2. Increasing Deduction
3. Decreasing Deduction
4. Address Changes
5. Name Changes
6. Suspend Deduction
7. Provider Change
8. Age 50 or Older Catch Up
9. Regular 3-Year Catch Up
10. Change in Agent
11. Change Employer
12. USERRA Missed Contributions

\*There is also an **Expedited** enrollment option for employees interested in enrolling in the deferred compensation plan. The **expedited** option does not require the employee to make a decision regarding the amount of contribution, investment allocation, or selection of a provider company or agent. Please refer to the Expedited 457 Deferred Compensation Plan and PEP Enrollment Form **SFN 54362** and instructions following this section.

The North Dakota Section 457 Deferred Compensation Plan Participant Agreement for Salary Reduction is the form used to enroll an employee in the Deferred Compensation 457 Plan. **THIS FORM MUST BE RECEIVED AND SIGNED BY NDPERS BEFORE CONTRIBUTIONS WILL BE ACCEPTED FOR THE NDPERS DEFERRED COMPENSATION PLAN.** For non-NDPERS 457 plan participants or 403(b) plan participants, this form is not necessary. (See page 3 of the Deferred Compensation Plan section for Transmittal of Contribution instructions for PEP.) For employees transferring from one participating agency to another use the Notice of Transfer Kit **SFN 53728**.

**If a member wishes to suspend or change the deduction amount or Provider, the employee must complete a Participant Agreement form. Under IRS regulations payroll does not have the authority to change or suspend deductions without an approved Participant Agreement form authorized by the NDPERS office. Deductions must be submitted for each pay period wages are paid unless the employee completes a Participant Agreement form to suspend the contribution amount.**

**MEMBER CONTRIBUTIONS TO OTHER PARTICIPATING EMPLOYER SUPPLEMENTAL IRC SECTION 457 OR 403(b) RETIREMENT PROGRAMS, AS APPROVED BY THE BOARD, ARE ELIGIBLE FOR VESTING OF EMPLOYER CONTRIBUTIONS. (PEP)**

**Part time/temporary employees are not eligible to participate in NDPERS 457 Deferred Compensation Plan.**

**Instructions for Section 5 – Salary Reduction Authorization**

**Deduction Amount.** The employer is required to withhold the amount entered in this section from each paycheck that the employee receives. It is a pay period amount, not a monthly amount.

Example: If an employee enters a deduction amount of \$100 and is paid on a monthly payroll cycle, the total deductions withheld for the month will be \$100. If the employee is paid on a semi-monthly payroll cycle, the total deductions withheld for the month will be \$200. If the employee is paid bi-weekly, \$100 will be deducted every 2 weeks.

**Deduction Begin Date.** The date entered in this section is the pay period beginning date. It is not the date the paycheck is issued.

For example, if an employee enters a pay period beginning date of July 1, 2005, the deduction is authorized to begin as follows:

State employee: The deduction will begin with the July 1-31, 2005 pay period paid August 1, 2005. The deduction does not begin on the paycheck received on July 1, 2005. To set up the deduction in PeopleSoft Benefits Administration, use the date from section 5 of the form as the event date. For this example, that would be July 1, 2005. This will ensure that the deduction begins in the correct pay period.

Higher Ed employee: The deduction will begin with the July 1-15, 2005 pay period paid on July 31, 2005. To set up the deduction in PeopleSoft Benefits Administration, use the date from section 5 of the form as the event date. For this example, that would be July 1, 2005. This will ensure that the deduction begins in the correct pay period.

Employee paid semi-monthly on 15 & 30: The deduction will begin with the July 1-15, 2005 pay period paid on July 15.

If you have questions on when to start, stop or change deferred comp deductions, please contact the PERS deferred comp accountant.

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## **EXPEDITED 457 DEFERRED COMPENSATION PLAN AND PORTABILITY ENHANCEMENT PROVISION (PEP) ENROLLMENT**

**SFN 54362**

In order to promote the ability for employees to supplement their retirement savings, we have designed our plan to make saving as convenient as possible by providing an **EXPEDITED** enrollment option. The expedited enrollment does not require the employee to make a decision regarding the amount of the contribution, investment allocation, or selecting a provider company or agent. The employee need only complete the Expedited 457 Deferred Compensation Plan and PEP Enrollment Form SFN 54362. **All new hires must complete this form either electing to participate in the deferred compensation plan or waive their rights to PEP in Section D.** Current employees may also use this form if they prefer to take advantage of the expedited option at the minimum contribution amount. **NDPERS will complete Part E on the form. A completed, signed form will be returned to payroll to authorize a reduction in the employee wages of \$25.00 for the month as directed on the form.** If the employee chooses to make more than the minimum contribution or would like their minimum contribution to go to a provider other than the Companion Plan administered by Fidelity, they will need to complete the NDPERS Section 457 Deferred Compensation Plan Participant Agreement for Salary Reduction **SFN 3803**

### **ELIGIBILITY**

If the employee works a minimum of 20 hours per week for 20 or more weeks per year, is at least eighteen years of age, filling a permanent position that is regularly funded and not of limited duration, and is enrolled in the North Dakota Public Employees Retirement System, he/she must elect to participate or elect to **forfeit the right to the vested employer contributions** by waiving participation in the Portability Enhancement Provision.

By electing to enroll in the NDPERS Deferred Compensation Program through the employer at a minimum required monthly contribution of \$25.00, the employee automatically enrolls in the Portability Enhancement Provision (PEP) for the NDPERS Defined Benefit Retirement Plan. The member account in the NDPERS defined benefit retirement plan will automatically be credited with the percentage of the employer contribution to which the employee is entitled. To attain the maximum vesting in the employer contribution in the defined benefit retirement plan, (PEP), the employee may increase the contribution level by completing the Participant Agreement for Salary Reduction form **SFN 3803**.

<b>If the employee does not elect to enroll in the deferred compensation plan at the time they are hired, They must sign the Waiver of Participation in Section D on the form and submit it to their payroll office within 30 days.</b>
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Employees immediately accrue employer contributions according to a vesting and contribution schedule (included on page 2 of the form). Employer contributions earned are credited monthly to the NDPERS member retirement account.

An employee should be enrolled **the first month of eligible employment**, even when hired subject to a probationary period. There is no maximum age limit applicable. **Instructions for completing the form are included as page 2 of the form.**

Employees are eligible to enroll in the deferred compensation plan at a later date and will vest in the employer's contribution beginning with the first deferred compensation plan contribution reported to NDPERS by the Employer.

**Filing procedure:** Original to NDPERS – A signed, authorized copy of the form will be returned to payroll by NDPERS.

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**ROLLOVER/TRANSFER TO  
THE 457 DEFERRED COMPENSATION PLAN**

SFN 50177

**(For provider to provider transfers or plan to plan rollovers)**

Provider to Provider transfers may only be made from one NDPERS approved 457 Deferred Compensation Provider to another approved NDPERS 457 Deferred Compensation Plan Provider.

**Plan rollovers are eligible rollovers if funds from other qualified plans to the NDPERS 457 Deferred Compensation Plan are pre-tax contributions. Eligible qualified plans are listed on the Rollover/Transfer form.**

Transfers and/or rollovers are not subject to the annual deferred compensation contribution limits set forth by IRS Code Section 457.

Pursuant to the administrative agreement held with each provider company, and under federal Internal Revenue Code 457 (e)(16) transfer of funds must be a plan to plan transfer of funds.

<p><b>Please note that a request for transfer <u>will not</u> automatically stop deductions to the original provider company. A participant Agreement, SFN 3803, <u>must be completed</u> to cease contributions or begin contributions to a new company.</b></p>
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## REQUEST FOR DEMINIMUS DISTRIBUTION

SFN 52051

Participants that have not separated from service may apply for a deminimus distribution of their account if:

- the total value of their deferred compensation assets (including all providers) is less than **\$1,000**,
- the participant **has not** made any deferrals to the plan in the preceding twenty-four months,
- the participant **has not** previously received a deminimus distribution from the plan.

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## CATCH-UP WORKSHEET/CERTIFICATION

SFN 51501

Certain participants may obtain authorization from the NDPERS office to utilize the regular or normal “catch-up” provision of the plan. Eligibility criteria for the catch-up provision include:

- Participant must have been eligible for the state’s deferred compensation program, but did not defer the maximum amount allowed in each calendar year of eligibility.
- Participant is within three calendar years of attaining eligibility for an unreduced retirement benefit which is either age 65 or meeting the Rule of 85, or the participant’s declared retirement date.
- Participant has not previously utilized the “catch-up provision” at any other time for any other plan.
- Participant is not utilizing the age 50 or older catch-up option.

The maximum catch-up deferral is the lesser of \$15,000 or as much of the maximum deferral established that has not been used for calendar years beginning after December 31, 1978 through calendar year 2001. Beginning in 2002, the maximum that can be deferred is the lesser of twice the otherwise applicable limit or as much of the maximum deferral that has not been used for calendar years beginning after December 31, 2001 based on the following schedule:

<u>Year</u>	<u>Maximum Deferral</u>
2005	\$28,000
2006	\$30,000

The catch-up provision may be utilized for up to three consecutive years, but must not be used in the year the participant retires. Prior to implementing this provision, the participant must submit the Catch-Up Worksheet Certification to the NDPERS office and receive written approval from the authorized agent.

### **SECTION 1**

Complete all information requested. In addition, the participant must declare their “normal retirement age” by specifying the month and year they plan to retire. Age at retirement **must** fall within the range of ages for normal retirement. Provide “pick-up” information only if applicable. See “C” below for explanation.

### **SECTION 2**

- A. Beginning with Tax Year 1979, identify the tax year(s) the participant was employed by their current employer but did not contribute the maximum amount participant was eligible to defer.
- B. Gross earnings may be determined from participant’s W-2 Form issued by an eligible employer. Only wages paid as an employee of an eligible employer may be considered when determining gross earnings for purposes of the catch-up provision.
- C. If the employer participates in Employer Pick-up (makes contributions to employees’ retirement plan with pre-tax dollars) the percentage of pick-up should be placed in column “C” for all years starting with the pick-up year as shown on the worksheet.

- D. Only for years Employer Pick-up applies, multiply the pick-up percentage (column "C") as shown on the worksheet by the column "B" (gross annual salary), and enter the result in column "D".
- E. The Adjusted Gross Annual Salary is determined by subtracting column "D" from column "B" and entering the result in column "E".
- F. Determine the Annual Maximum Deferral according to the following schedule:

<u>Year(s)</u>	<u>Lesser of</u>
1979-1997	25% or \$ 7,500
1998-2000	25% or \$ 8,000
2001	25% or \$ 8,500
2002	100% or \$11,000
2003	100% or \$12,000
2004	100% or \$13,000
2005	100% or \$14,000
2006	100% or \$15,000

- G. Enter any actual amounts deferred for each tax year. This can be determined from a payroll stub or periodic statements issued by the investment firms.
- H. Subtract column "G" from column "F" for each year to determine the under-utilized amount the participant is eligible to catch up.
- I. Add the amounts in column "H".

**NOTE:**

If more space is needed to reflect under-utilization in the plan, use additional forms to provide the necessary information.

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**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
DEFERRED COMPENSATION TRANSMITTAL OF DEDUCTION**

SFN 52193

**This form is used to report deferred compensation deductions by **EMPLOYER'S WHO ARE NOT** on the Central Payroll System. Deferred compensation deductions must be reported for all employees participating in the North Dakota Section 457 Deferred Compensation Plan and for employees who participate in a supplemental IRC Section 457 or 403(b) plan that has been approved by the NDPERS Board. This form **must** be completed by the employer and **returned to NDPERS after each payroll period**. The employer **must** send deductions for the North Dakota Section 457 Deferred Compensation Plan directly to NDPERS.**

**Employers who are only reporting deductions to approved supplemental Section 457 or 403(b) plan, and are not participating in the State's plan, will report employee deductions to NDPERS monthly. Payments will continue to be made directly to the vendors for these plans.**

**Employers are required to use the form provided by NDPERS unless they are reporting electronically.**

**Plan Document Article 1.6: "Deferred compensation" means amounts deferred under [Article 4](#), including unused annual leave, sick leave and back pay. It does not include any amount payable under any bona fide vacation leave, sick leave, compensation time, severance pay, disability pay or death benefit plans of the Employer."**

**INFORMATION PROVIDED BY NDPERS:**

- Day the transmittal form was printed.
  - Page number.
  - Payroll month for which deductions are being reported.
  - Date by which the transmittal must be returned to the NDPERS office.
- Transmittals with a due date of the 20<sup>th</sup> of the month are to be used to report deductions from pay periods that ended between the 1<sup>st</sup> and 15<sup>th</sup> of that month. Transmittals with a due date of the 5<sup>th</sup> of the month are to be used to report deductions from pay periods that ended between the 16<sup>th</sup> and 31<sup>st</sup> of the month and are used for all monthly reporters. Transmittals with a due date of the 10<sup>th</sup> of the month are used for the 3<sup>rd</sup> payroll in a month for employers with bi-weekly payrolls.
- Name of employer.
  - Employer department number (assigned by NDPERS).
  - Name and social security numbers of employees who are enrolled in the ND Section 457 Deferred

Compensation Plan, or in an approved supplemental plan, as of the date the transmittal was printed. An employee may be listed more than once if deductions are being made for more than one Provider Company.

- Code number and name of provider company employee is enrolled with and authorized deduction amount for the pay period being reported.

#### **PROVIDER CODE NUMBERS**

American Trust Center	(114)	NDPERS Companion Plan	(097)
AXA Equitable Life Ins Co	(112)	(administered by Fidelity)	
Bank of ND	(107)	Other 403b	(902)
Chase Insurance	(094)	Other 457	(901)
Hartford Life	(096)	Sunset Life Ins Co	(110)
ING Investment Services	(111)	Symetra Life Ins Co	(141)
Jackson National Life	(095)	VALIC	(155)
Lincoln National	(156)	Waddell & Reed	(121)
Nationwide Life	(108)		

#### **INFORMATION PROVIDED BY EMPLOYER:**

The transmittal form provided to NDPERS contains information that we must retain permanently. This requires that we scan all paper forms for permanent storage. To help us retain a quality record, we ask that you remember the following when completing your transmittal form each month:

1. Type or print legibly. Black ink is preferred.
2. Do not use pencil.

#### **COLUMN A**

***For employee's participating in the ND Section 457 Deferred Compensation Plan***, the provider company pre-printed on the transmittal is from the Participant Agreement for Salary Reduction SFN 3803 in effect for the reporting period. If the Provider Company listed for the employee is not correct, cross it out and write in the correct Provider Company. Enclose a copy of the authorized Participant Agreement to substantiate the change.

***For employee's participating in an approved supplemental deferred compensation program***, the provider company pre-printed on the transmittal form will be either "Other 457 Plan" or "Other 403(b) Plan", based on the type of plan being offered by the employer.

#### **COLUMN B**

***For employee's participating in the ND Section 457 Deferred Compensation Plan***, the deduction amount pre-printed on the transmittal is from the Participant Agreement for Salary Reduction SFN 3803 in effect for the reporting period. This amount is what has been authorized by the employee to be withheld from each pay period. If the deduction amount listed for the employee is not correct, cross it out and write in the correct deduction amount. If the employee has stopped their deduction, write in \$0.00. Enclose a copy of the authorized

Participant Agreement to substantiate the change.

***For employee's participating in an approved supplemental deferred compensation program***, the deduction amount pre-printed on the transmittal will be the amount reported for the previous reporting period. If the deduction amount listed for the employee is not correct, cross it out and write in the correct deduction amount. If the employee has stopped their deduction, write in \$0.00.

**Total Deductions:** Total deductions will be pre-printed on the report. The first totals will be for deductions to providers in the ND Section 457 Deferred compensation Plan. The totals need to be corrected if changes are made to any of the deduction amounts printed on the transmittal. Cross out the pre-printed total and write in the correct total. This total must match the amount of the payment that is being remitted to NDPERS.

If an employer also has employees who have deductions to **OTHER 457 or OTHER 403(b)** plans, there will be another total for these deductions. The totals need to be corrected if changes are made to any of the deduction amounts printed on the transmittal. Cross out the pre-printed total and write in the correct total. **DO NOT send payment for these deductions to NDPERS – Continue to send them directly to the investment provider for these plans.**

#### **COLUMN C**

If the employee terminated employment during the reporting period, enter in the last day the employee worked.

**Adding an employee to the transmittal.** If PERS does not receive the Participant Agreement for a new participant in the ND Section 457 Deferred Compensation Plan before printing the transmittal, you will have to add the employee manually to the transmittal. Enter the employee's full name, social security number, provider company and deduction amount.

All new participants in an approved supplemental deferred compensation program will have to be added manually to the transmittal.

**Prepared By.** Signature of person who completed the transmittal of deduction form.

**PLEASE VERIFY THE ACCURACY OF ALL CALCULATIONS**

#### **ELECTRONIC REPORTING**

NDPERS allows transmittal information to be submitted electronically via secure file transfer over the internet. If you are interested in this reporting option, please contact the NDPERS office.